

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 7, 1996

SUBJECT: **SB 2915 - HB 2669**

This bill, if enacted, will clarify the application of the sales tax to charges for admission to professional sporting events, including charges for a seat license, skybox, luxury suite, or any other accommodation for spectators.

This bill also provides that any state sales tax collections derived from a National Football League franchise shall be earmarked and allocated specifically and exclusively to the general fund for a period of 30 years from the date of the first sporting event the franchise plays in Tennessee. Following the 30 year period, all such amounts will be allocated without regard to sports authorities. Current law provides that all sales tax collections derived from sporting events be allocated to the sports authority in perpetuity.

The fiscal impact from enactment of this bill is estimated to be an increase in state revenue as follows:

Year 1 - \$3,905,000 - Taxes on PSLs, Skyboxes, Luxury Suites, etc.
Year 2 - \$5,000,000 - Taxes on Construction Costs
Year 3 - \$2,698,000 - Taxes on Concessions, Tickets, Parking, etc.

Increased revenues are estimated to total approximately \$132,000,000, including the two years of construction phase and the 30 year period associated with the bond issuance.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.


James A. Davenport, Executive Director